

## Estate Tax – Annual adjustment of the applicable exclusion amount for estates of decedents dying in Calendar Year 2017

**Introduction** The Department of Revenue must adjust the Washington applicable exclusion amount threshold annually using the Seattle-Tacoma-Bremerton metropolitan area October consumer price index (Seattle CPI) to determine the adjustment.

**Applicable exclusion amount** The applicable exclusion amount is:

For Estates of Decedents Dying in Calendar Year	Applicable Exclusion Amount
2013	2,000,000
2014	2,012,000
2015	2,054,000
2016	2,079,000
2017	2,129,000

**Calculation** The annual adjustment is determined by multiplying two million dollars by one plus the percentage by which the most recent October consumer price index exceeds the consumer price index for October 2012, and rounding the result to the nearest one thousand dollars.

No adjustment is made for a calendar year if the adjustment would result in the same or a lesser applicable exclusion amount than the applicable exclusion amount for the immediately preceding calendar year.

Based on the language in RCW 83.100.020(1), the formula to calculate the applicable exclusion amount for 2017 will be:

$$=\text{round}(\$2,000,000 * (1 + ((\text{October 2016 Seattle CPI} - \text{October 2012 Seattle CPI}) / \text{October 2012 Seattle CPI})), -3)$$

OR

$$\$2,000,000 * (1 + (256.941 - 241.355) / 241.355) = \$2,129.154 \text{ and rounded to } \$2,129,000$$

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## CPI

Consumer Price Index - All Urban Consumers

Series Id: CUURA423SA0,CUUSA423SA0

Not Seasonally Adjusted

Area: Seattle-Tacoma-Bremerton, WA

Item: All items

Base Period: 1982-84=100

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2012		235.744		237.931		239.54		240.213		241.355		237.993	238.663	237.344	239.981
2013		239.898		240.823		242.82		242.767		242.787		241.055	241.563	240.777	242.35
2014		242.77		246.616		247.642		247.185		247.854		245.05	246.018	245.125	246.912
2015		245.496		247.611		251.622		251.617		250.831		250.385	249.364	247.614	251.115
2016		250.942		253.815		256.098		256.907		256.941				253.122	

[http://data.bls.gov/pdq/SurveyOutputServlet?data\\_tool=dropmap&series\\_id=CUURA423SA0,CUUSA423SA0](http://data.bls.gov/pdq/SurveyOutputServlet?data_tool=dropmap&series_id=CUURA423SA0,CUUSA423SA0)

**Filing threshold** The filing threshold remains at \$2 million for decedents dying on or after January 1, 2006.

EHB 2075, 2013 Second Special Legislative Session made no changes to RCW 82.100.050, so the filing threshold and the applicable exclusion amount are no longer in alignment with each other.

**Questions** If you have questions, contact:

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